



Democrats Unveil Another Tax-and-Spend Budget: ***Growing the Federal Budget at the Expense of the Family Budget***

Last year, Democrats were afforded the benefit of the doubt when they claimed they would control spending, reduce the debt, enforce budget rules and address long-term fiscal challenges. Now, after their FY08 budget dramatically increased taxes, spending and the debt, while sidestepping budget enforcement and ignoring the entitlement crisis, American taxpayers should hang on to their wallets. The Democrats' FY09 budget is simply more of the same...

❖ Dems' FY09 Budget Again Raises Taxes, by \$1.2 Trillion

- ✓ FY08 tax increase of \$736 billion is upped to \$1.2 trillion – again the largest tax hike ever.
- ✓ Tax hike will hit 116 million Americans.
- ✓ Average people will be paying a lot more – 43 million families will owe \$2,300 more; 18 million seniors will owe \$2,200 more.
- ✓ 27 million small businesses, the engine of growth for the economy, will owe \$4,100 more.

❖ Dems' FY09 Budget Again Increases Spending, by \$211 Billion

- ✓ Not satisfied with a \$205 billion 5-year discretionary spending increase in their FY08 budget, Democrats increase spending by \$211 billion over 5 years in the FY09 budget.
- ✓ In FY 2009 alone, Democrats hike spending by \$22 billion over the President's request -- more than a 9% increase over FY 2008 enacted spending.

❖ Dems' FY09 Budget Again Grows Debt, by \$2 Trillion

- ✓ Instead of reducing the debt as they promised, Democrats allow gross debt to climb by \$2 trillion by 2013.
- ✓ That debt is not an abstract number, but something owed by our children. In fact, every American child will owe \$27,000 more under this budget.
- ✓ The FY09 budget again spends a huge percentage of the Social Security surplus - \$775 billion.

❖ Dems' FY09 Budget Again Ignores Entitlement Reform

- ✓ For a second year in a row, Democrats do nothing to address the \$66 trillion entitlement crisis now on our doorstep.

- ✓ The savings they find in Medicare are wiped out (and then some) by additional spending in Medicaid.
- ✓ In fact, the FY09 budget allows entitlement spending to grow by \$488 billion over five years, even higher than the \$466 billion in growth allowed under Democrats' FY08 budget.

❖ **Dems' FY09 Budget Again Contains Fraud & Gimmicks**

- ✓ Despite claims that entitlement spending must be addressed, Democrats had to be forced by a statutory requirement to find \$1.3 billion in Medicare savings, and not until 2013. However, they also increased Medicaid spending by \$1.7 billion in 2008 and 2009, wiping out any net savings and actually increasing overall entitlement spending.
- ✓ Taxes are again increased, but with a repeat of the false promise of extension of existing middle-class tax relief benefiting families with children, married couples, low-income taxpayers, and family farms and businesses. The same promise was made last year in order to sell a \$900+ billion tax hike, but not a single step has been taken to enact these extensions.
- ✓ This is not explicitly acknowledged, but all of the energy and education tax incentives the FY09 budget "makes room for" must be paid for by other tax increases. The same applies to the middle-class tax relief promised, and any AMT relief after 2008.
- ✓ Claims of recouping a portion of the tax gap – taxes owed but unpaid – in order to offset some of the massive new spending have resulted in no loophole closures and no tax gap revenues. In fact, Congressional action has worsened the tax gap. Why will this year be any different?
- ✓ The 24 reserve funds included in the FY08 budget have grown to 30 this year, representing up to \$300 billion in new taxes and spending.
- ✓ Despite their public cries of outrage over the President's too-low war funding request of \$70 billion for 2009, Democrats budget the exact same amount for 2009. Will our troops be forced to fend for themselves when the money runs out?
- ✓ Budget enforcement mechanisms weakened last year go unchanged, to allow Pay-Go gimmickry and budgetary sleights-of-hand to continue.